

Chairman's Address to 2021 Annual General Meeting

28 May 2021 – Mr. Jeffrey Browne, Chairman, Moelis Australia Limited

Good morning shareholders. My name is Jeffrey Browne and I am the Chairman of your company.

I'd like to begin by acknowledging the land on which I stand today is land that was traditionally under the custodianship of the Gadigal people of the Eora nation. I pay my respects to elders past and present and bid warm welcome to any first Australians that are present today or have dialed into the webcast.

On behalf of my fellow Directors, I welcome you all to the 2021 Annual General Meeting of Moelis Australia.

When I spoke at last year's Annual General Meeting the impact of the COVID-19 global pandemic presented the most significant challenge to our business in its twelve-year history. Indeed, 2020 was a year that tested the resilience and adaptability of many Australian businesses. I am very pleased and proud of the way our Board, executive team and all our staff rose to the challenge and delivered a very good financial result in 2020 that positions the business for strong growth in 2021 and the years ahead.

I have been particularly impressed with the smooth transition of leadership to our new Joint CEOs Julian Biggins and Chris Wyke. After over a decade of steady and prosperous leadership under our now Group Vice Chairman, Andrew Pridham, Julian and Chris inherited a highly successful legacy.

Presented with an extremely volatile and uncertain environment just weeks into the role, they demonstrated calm and assured leadership qualities. They swiftly positioned the business to a defensive footing, managed costs, reset activities where appropriate and conserved cash. This positioned the business well to capitalise on improving market conditions in the second half of 2020 and carry strong business momentum into the current year.

FY20 GROUP PERFORMANCE & FINANCIAL POSITION

In financial year 2020, the Group achieved underlying revenue of just over \$160 million, slightly up on the 2019 financial year, despite \$9 million of direct COVID related revenue impacts to the business. Underlying EBITDA of \$60.5 million and underlying earnings per share of 25.1 cents were both 5% lower than the record result delivered in 2019. This was an excellent outcome given the significant COVID headwinds faced during the year and is a tribute to the huge hours and hard work of our Executive team.

The financial bedrock of the business is our conservatively positioned and well capitalised balance sheet, which has provided security and strategic flexibility as the Group has expanded. At the end of 2020 the Group maintained this strong balance sheet position with \$112 million in cash and \$200 million of investment assets.

This enabled us to pay a dividend to shareholders of 10 cents per share, consistent with our 2019 distribution.

Chris Wyke will take you through the key group and divisional highlights from FY20 shortly.

GROWTH AND TRANSITION

In the period since listing we have seen a significant shift in the earnings mix of the Group. When the business listed on the ASX in 2017, Asset Management contributed just 35% of the Group's divisional EBITDA¹. In 2020, this number had risen to 84% of divisional EBITDA. Over this same period since listing, as Asset Management activities have expanded, the Group has delivered compound annual revenue growth of 27%.

This earnings growth and business transition underpins the rebranding initiative and change of company name to MA Financial Group that we are voting on today.

At 30 April 2021, Moelis Australia managed \$5.8 billion of assets, diversified across real estate, hospitality, credit, listed equities, private equity and venture capital asset classes. Moving forward, we expect the proportion of revenue coming from Asset Management related activities to continue to grow.

Additionally, our lending activities have continued to expand and will report as a new operating division moving forward, reflective of our growth ambitions in this space.

The new name, MA Financial Group Limited, will better reflect the activities of the Group as a diversified financial services company, across financial disciplines and geographies.

Whilst representing the future of the business the MA name pays respect to our heritage as Moelis Australia. Our strategic investment banking partnership with New York Stock Exchange listed Moelis & Company will remain unchanged and our corporate advisory and equities business will still use the Moelis name, trading as MA Moelis Australia.

The creation of the MA Financial Group will allow us to develop a hierarchy of brands that will sit under the MA banner as we expand and diversify our various business platforms. The new name will be accompanied by a refreshed brand and visual identity which will create a contemporary and consistent look and feel.

¹ Underlying EBITDA excluding corporate costs

WELL POSITIONED FOR GROWTH

As the business moves into its next phase I believe that it has never been better balanced, nor better positioned for growth.

Our Asset Management division has built a highly scalable business platform in a number of deep addressable markets, including real estate, hospitality and credit. In addition, our equities investment strategies and private equity and venture capital capabilities have grown in size and earnings contribution.

Underlying each of our investment strategies we have built substantial operational capabilities and expertise. We increasingly believe that by actively managing in-house the assets invested in by our clients and our own balance sheet we can deliver superior returns and best manage risk. We have recently added to our real estate capabilities with the acquisition of RetPro, which delivers deep operational expertise across all aspects of retail shopping centre management.

We have continued to broaden and diversify our distribution capabilities, with the granting of a retail financial services licence and launch of our first retail credit products in April 2021. This adds to our significant existing distribution platform and capabilities in managing both Foreign and Domestic High Net Wealth capital, as well as international institutional capital.

As mentioned, our Lending activities have reached a level of scale and ambition that has led to the creation of a new operating division with significant growth potential. The Australian lending market is worth roughly \$3 trillion in total and the non-bank share of this market continues to increase and now stands at \$230 billion. Set against our current loan book size of \$342 million the growth opportunity is self-evident, given the Group's depth of expertise and strong track record in credit and lending activities.

Corporate Advisory & Equities continues to be a fundamentally important part of our business with specialised capabilities in real estate, restructuring, technology and small to mid-cap industrials. It also remains a strong generator of talent for the broader group. The environment for talent is highly competitive, but so far in 2021 we have announced five new hires, including two new Managing Directors, who are already delivering fee paying mandates to the business.

INVESTING IN OUR PEOPLE

First and foremost, Moelis Australia has been a people business and this will remain the case moving forward. Our staff are our most important assets and we will continue to invest them. Later this year, we will move our staff into modern new premises in both Sydney and Melbourne that will significantly enhance workplace collaboration and connection.

We established the MA Academy in 2020, which is being progressively rolled out across the Group. MA Academy is the umbrella of learning that encompasses all training and development of Moelis Australia staff. It is a structured and formalised way to pass the baton of learning from one generation to the next. It encompasses internal training, on-boarding, intern and graduate programs, executive sessions, personal and professional growth programs, and mentoring. The MA Academy spans the entire organisation and experience levels.

We are also proud of our staff's contribution to the continued growth of the Moelis Australia Foundation. Since its inception in 2018 The Foundation has received pledges of over \$7.7 million and is distributing these funds to a variety of causes, selected in consultation with our staff.

NEW DIRECTORS

Reflective of the ongoing growth of the business we have welcomed three new directors onto the Board over the last 12 months. In August 2020 Alexandra Goodfellow and Kate Pilcher Ciafone were appointed to the Board and in April this year Simon Kelly was added to the Board as our eighth Director. Each of these appointments have added valuable skills, diversity and greater independence to our Board.

Kate has almost 20 years' experience in the investment banking industry and is currently Chief Operating Officer of Investment Banking at our strategic partner Moelis & Company. She replaced Joe Simon as a Non-Executive Director and I would like to thank Joe for his excellent contribution during his tenure on the Board.

Alexandra joined the Board as an Independent Non-Executive Director. She is the Vice Chair of Korn Ferry Australasia and has 30 years' experience in executive search and consulting. Alexandra's leadership and expertise in people, culture and governance has already proven highly additive to the business, in particular in her role as the new Chair of the Nomination and Remuneration Committee.

Simon Kelly also joined the Board as an Independent Non-Executive Director. Simon has over 30 years' experience in strategic, financial and general management across a range of Australian listed and unlisted consumer facing businesses. He has significant experience in C-suite level roles across a number of Australian listed companies. This experience will, through his Chairing of the Group's Audit and Risk Committee, enhance and significantly strengthen the company's risk management, financial reporting and governance.

All three newly appointed directors are offering themselves for election today, in accordance with the Company's constitution.

SUMMARY

In conclusion I am delighted that Moelis Australia is in a strong financial and operational position having navigated through the one in one hundred-year challenges which have presented. The business has been tested and proved its stability and resilience, positioning itself for strong future growth.

On behalf of the Board, I would like to thank all our staff for their hard work and adaptability throughout a year of significant change and to shareholders for your ongoing support of our Company.

Authorised for release by the Chairman of Moelis Australia, Jeffrey Browne.

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